

PART 2700—EMERGENCY HOMEOWNERS' LOAN PROGRAM

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AUTHORITY: 12 U.S.C. 2707; 42 U.S.C. 3535(d)

SOURCE: 76 FR 11950, Mar. 4, 2011, unless otherwise noted.

Subpart A—General

§ 2700.1 Purpose.

This part establishes the Emergency Homeowners' Loan Program, a standby program authorized by the Emergency Homeowners Relief Act of 1975, as amended, to prevent widespread mort-

gage foreclosures and distress sales of homes resulting from a homeowner's substantial reduction in income due to temporary involuntary loss of employment or underemployment resulting from adverse economic conditions or medical condition. Under this program, HUD is authorized to provide relief in the forms of emergency mortgage relief loans, advances of credit, or emergency mortgage relief payments to struggling unemployed or underemployed homeowners to help them avoid foreclosure, provided the homeowner meets certain specific conditions. HUD may provide such relief through approved institutions, including lending institutions, or intermediaries designated by HUD. HUD is also authorized to allow assistance under this program to be administered by a State that has an existing program that is determined by HUD to provide substantially similar assistance to homeowners.

§ 2700.5 Definitions.

For purposes of this part, the following terms are defined as follows:

Act means the Emergency Homeowners' Relief Act, title I of the Emergency Housing Act of 1975 (12 U.S.C. 2701), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, approved July 21, 2010).

Area Median Income (AMI) means the median family income for the metropolitan statistical area (MSA) or statewide nonmetropolitan area, as most recently determined and published by HUD, where the property meeting the eligibility requirements in § 2700.1 is located.

Delinquent mortgage means a first-lien mortgage secured by property meeting the eligibility requirements in § 2700.101, where the homeowner and holder of the delinquent mortgage have certified that circumstances, including delinquent payments of at least 3 months, make it probable there will be a foreclosure and that the homeowner is in need of emergency mortgage relief.

Emergency assistance includes, but is not limited to, an emergency mortgage

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relief loan, advance of credit, or emergency mortgage relief payment provided to an eligible homeowner, as authorized by the Act, and in accordance with the requirements of this part.

Event refers to the involuntary unemployment or underemployment status of the homeowner due to adverse economic conditions or medical condition. See definition of *involuntary unemployment or underemployment due to adverse economic conditions or adverse medical condition*.

Finance charge means the cost of credit as determined in 12 CFR 226.4, a section in Regulation Z of the Federal Reserve System's regulations on Truth in Lending.

Homeowner means an individual with a mortgage on the individual's principal residence, in which the individual resides, and who meets the requirements of § 2700.10 and who is in need of emergency assistance pursuant to this part.

HUD means the Department of Housing and Urban Development.

Income means the cumulative annual adjusted gross income of the homeowner, co-makers, and co-signers on the note secured by the delinquent mortgage and the other mortgagors on the delinquent mortgage.

Involuntary unemployment or underemployment due to adverse economic conditions or adverse medical condition means the status of a homeowner who was working, either as a wage or salaried worker or through self-employment, is currently involuntarily unemployed or underemployed due to adverse economic conditions or medical condition, and is unable to meet the homeowner's monthly mortgage payments.

Lender means a lending institution that provides an emergency mortgage relief loan or advance of credit insured under this part.

Monthly income means one-twelfth of the income, as income is defined in this section.

Monthly mortgage payment means the monthly amount of principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due to be paid under a homeowner's delinquent mortgage.

Mortgage means any mortgage, deed of trust, executor land sales contract, conditional sales contract, or other form of security and the obligation secured by a one- to four-family dwelling that is either real estate or a manufactured home. *Mortgage* includes a mortgage on a condominium unit and a security interest in stock in a housing cooperative.

Mortgagee means a lending institution that is the holder of the delinquent mortgage. The *mortgagee* may be the same entity as the *Lender*.

Secretary means the Secretary of Housing and Urban Development.

Servicer means any entity which services an emergency loan made by HUD under this part.

Servicing institution means any entity that services the delinquent mortgage. The servicing institution may also be the same entity as the *Lender* or *Servicer*.

Term of monthly payments means a period of monthly payments provided under this part not to exceed 24 months. Eligible homeowners may receive assistance for up to 12 months, and in accordance with criteria established by HUD, and such assistance may be extended once for up to 12 additional months, but in no case may monthly payments under this part exceed 24 months. The eligible homeowner may also receive assistance in an amount up to the statutory ceiling of \$50,000, whichever occurs first.

§ 2700.10 Determination of emergency.

(a) The Secretary is authorized to provide emergency assistance under the Emergency Homeowners' Loan Program when:

(1) Funds have been explicitly appropriated or made available for this program and the statute making funding available directs the Secretary to commence making emergency assistance available to homeowners; or

(2) The Secretary has announced that this program has been activated and provides the reasons for activation of this program in a document published in the FEDERAL REGISTER.

(b) If the Emergency Homeowners' Loan Program is activated pursuant to paragraph (a) of this section, HUD